

FILED
U.S. DISTRICT COURT
EASTERN DISTRICT OF TEXAS

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
LUFKIN DIVISION

AUG 14 2014

UNITED STATES OF AMERICA §
 §
VS. §
 §
ANDY LEE HOUSE §

DAVID J. MALAND, CLERK
BY _____
DEPUTY _____

CRIMINAL NO. 9:14-CR- 11 RC/KFG

INFORMATION

THE UNITED STATES ATTORNEY CHARGES:

Count One

(Violation: 18 U.S.C. §1343 – Wire Fraud)

That from in or about July 13th, 2009, to on or about November 11th, 2009, in the Eastern District of Texas and elsewhere, **Andy Lee House**, defendant, knowingly devised and intended to devise a scheme and artifice to defraud and to deceive Philadelphia Indemnity Insurance Company (PIIC), Grundy Insurance, and Gates Insurance, defendant by means of false and fraudulent pretenses and representations knowing at the time that such pretenses and representations would be and were false when made, said scheme so devised and intended to be devised as follows:

THE SCHEME

On October 1, 2009 **Andy Lee House**, defendant, with financing from Lloyd Gillespe, purchased a 2006 Bugatti Veyron, vehicle identification number VF9SA15BX6M795027 for \$1,000,000 from Karam Automotive in Westchester,

Pennsylvania. The payment was made by wire transfer from Gillespe's bank account in Texas to Karam Automotive's account in Pennsylvania.

On October 1, 2009, Gates Insurance in The Woodlands, Texas, at **House's** request, insured a 2006 Bugatti Veyron for an agreed value of \$2.2 million by adding the vehicle to House's existing Collector Insurance Policy Number GD20057880-00, which was underwritten by Philadelphia Indemnity Insurance Company (PIIC). PIIC is a corporation duly formed and existing under the laws of the State of Pennsylvania, with its principal place of business in Bala Cynwyd, Pennsylvania. On or about October 2, 2009, House authorized Gates Insurance to charge his MasterCard for the down-payment of the \$22,000.00 annual insurance premium for the Bugatti.

On November 11, 2009, **House** intentionally drove the 2006 Bugatti Veyron into the Gulf Bay near La Marque, Texas, and upon exiting the vehicle after the wreck, left the motor running. Doing so, as **House** intended, resulted in the engine taking in large amounts of salt water, effectively totaling the vehicle. **House** intentionally destroyed the vehicle with the intent to recover the insurance proceeds, which he knew to be approximately \$1,200,000 in excess of its purchase price.

Count	Date	Nature of Wire Transaction	Amount
1	October 2 nd , 2009	Credit card transaction to Gates Insurance for Bugatti insurance premium	\$22,000

All in violation of 18 U.S.C. §§ 1343 and 2.

NOTICE OF INTENT TO SEEK CRIMINAL FORFEITURE

1. Upon conviction of the offense in violation of 18 U.S.C. § 1343 set forth in Count 1 of this information, **Andy Lee House**, defendant, shall forfeit to the United States of America, pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. §2461(c), any property, real or personal, which constitutes or is derived from proceeds traceable to the offenses. The property to be forfeited includes, but is not limited to, the following:

1. Personal Property

a. MONEY JUDGMENT, being a sum of money equal to \$2,200,000 in United States currency representing the amount of proceeds obtained as a result of the wire fraud offenses, in violation of 18 U.S.C. §1343.

3. If any of the property described above, as a result of any act or omission of the defendant:

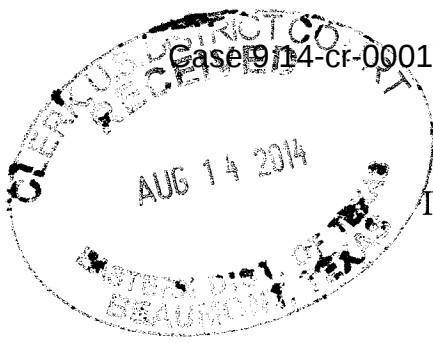
- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third party;
- c. has been placed beyond the jurisdiction of the court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be divided without difficulty,

the United States of America shall be entitled to forfeiture of substitute property pursuant to 21 U.S.C. § 853(p), as incorporated by 28 U.S.C. § 2461(c).

All pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c).

JOHN M. BALES
UNITED STATES ATTORNEY

John M. Bales for:
CHRISTOPHER T. TORTORICE
ASSISTANT U.S. ATTORNEY



IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
LUFKIN DIVISION

UNITED STATES OF AMERICA
VS.
ANDY LEE HOUSE

CRIMINAL NO. 9:14-CR-

NOTICE OF PENALTY

Count One

Violation: 18 U.S.C. § 1343 (Wire Fraud); 18 U.S.C. § 2 (Aiding and Abetting an Offense)

Penalty: Not more than twenty (20) years imprisonment; a fine of not more than \$250,000 (or twice the pecuniary gain to the defendant or loss to the victim), or both. A term of supervised release of not more than three (3) years.

Special Assessment: \$100.00